

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☒ INFORMATION ☐ INDICTMENT
☐ SUPERSEDING
OFFENSE CHARGED

Count One: 15 U.S.C. §1 - Bid Rigging

Count Two: 18 U.S.C. §1349 - Conspiracy to Commit Mail Fraud

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY: Maximum Terms for count 1: (1) 10 years prison; (2) fine of \$1 million; (3) 3 years supervised release; (4) \$200 special assessment; and (5) Restitution. Maximum Terms for Count 2: (1) 30 years prison; (2) fine of \$1 million; (3) 5 years supervised release; (4) \$200 special assessment; and (5) Restitution

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

DEFENDANT - U.S.

▶ Danli Liu

DISTRICT COURT NUMBER

CR12-00611
 AUG 15 2012
 RICHARD W. WIEKING
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 OAKLAND
PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form Lidia Maher, Dept of Justice

☐ U.S. Attorney ☒ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned)

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

 1) ☒ If not detained give date any prior summons was served on above charges
2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)**IS IN CUSTODY**4) ☐ On this charge5) ☐ On another conviction
☐ Federal ☐ State
6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**
☐ SUMMONS ☒ NO PROCESS* ☐ WARRANT

Bail Amount: _____

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: _____ Before Judge: _____

Comments:

PENALTY SHEET

Individual: Danli Liu

15 U.S.C. § 1 – Bid Rigging (Count 1)

Maximum Penalties:

1. A term of imprisonment of 10 years
2. A fine of \$1 million, or two times the gross gain or loss, whichever is greater
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$100)
5. Restitution

18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud (Count 2)

Maximum Penalties:

1. A term of imprisonment of 30 years
2. A fine of \$1 million
3. A period of supervised release of not more than 5 years
4. \$100 special assessment per count (\$100)
5. Restitution

E filing

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FILED *a*
 AUG 15 2012
 RICHARD W. WIEKING
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 OAKLAND

10 Attorneys for the United States

11 UNITED STATES DISTRICT COURT
 12 NORTHERN DISTRICT OF CALIFORNIA
 13 OAKLAND DIVISION

14) Criminal No. **CR12-00611** *PJH*
 15)
 16) **INFORMATION**
 17)
 18) VIOLATIONS: 15 U.S.C. § 1 –
 19) Bid Rigging (Count One);
 20) 18 U.S.C. § 1349 – Conspiracy to
 21) Commit Mail Fraud (Count Two)

17 v.
 18
 19 DANLI LIU,
 20
 21 Defendant.

22 The United States of America, acting through its attorneys, charges:

23 DANLI LIU,

24 the defendant herein, as follows:

25 BACKGROUND

26 1. At all times relevant to this Information, when California homeowners defaulted
 27 on their mortgages, mortgage holders could institute foreclosure proceedings and sell the
 28 properties through non-judicial public real estate foreclosure auctions ("public auctions"). These
 INFORMATION – DANLI LIU – 1

1 public auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a
2 trustee was appointed to oversee the public auctions. These public auctions usually took place at
3 or near the courthouse of the county in which the properties were located. The auctioneer, acting
4 on behalf of the trustee, sold the property to the bidder offering the highest purchase price.
5 Proceeds from the sale were then used to pay the mortgage holders, other holders of debt secured
6 by the property, and, in some cases, the defaulting homeowner (collectively, "beneficiaries").

7 COUNT ONE: 15 U.S.C. § 1 – Bid Rigging (Alameda County)

8 THE COMBINATION AND CONSPIRACY

9 2. Beginning as early as April 2009 and continuing until in or about March 2010, the
10 defendant DANLI LIU and co-conspirators entered into and engaged in a combination and
11 conspiracy to suppress and restrain competition by rigging bids to obtain selected properties
12 offered at public auctions in Alameda County in the Northern District of California, in
13 unreasonable restraint of interstate trade and commerce, in violation of the Sherman Act, Title
14 15, United States Code, Section 1.

15 3. The charged combination and conspiracy consisted of a continuing agreement,
16 understanding, and concert of action among the defendant and her co-conspirators to suppress
17 competition by agreeing to refrain from or stop bidding against each other to purchase selected
18 properties at public auctions in Alameda County at non-competitive prices.

19 4. For the purpose of forming and carrying out the charged combination and
20 conspiracy, the defendant and her co-conspirators did those things that they combined and
21 conspired to do, including, among other things:

22 a. agreeing not to compete to purchase selected properties at public auctions
23 in Alameda County;

24 b. designating which conspirator would win the selected properties at the
25 public auctions for the group of conspirators; and

26 c. refraining from or stopping bidding for the selected properties at the
27 public auctions.

28 ///

INFORMATION – DANLI LIU – 2

1 5. Various entities and individuals, not made defendants in this Count, participated
2 as conspirators in the offense charged and performed acts and made statements in furtherance
3 thereof.

4 TRADE AND COMMERCE

5 6. During the period covered by this Information, the business activities of the
6 defendant and her co-conspirators that are the subject of this Information were within the flow
7 of, and substantially affected, interstate trade and commerce. For example, beneficiaries located
8 in states other than California received proceeds from the public auctions that were subject to the
9 bid-rigging conspiracy.

10 JURISDICTION AND VENUE

11 7. The combination and conspiracy charged in this Information was carried out, in
12 part, in the Northern District of California, within the five years preceding the filing of this
13 Information.

14 ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

15 COUNT TWO: 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud (Alameda County)

16 THE CONSPIRACY

17 8. Beginning as early as April 2009 and continuing until in or about March 2010 in
18 Alameda County in the Northern District of California, the defendant DANLI LIU and her
19 co-conspirators did willfully and knowingly combine, conspire, and agree with each other to
20 violate Title 18, United States Code, Section 1341, namely, to knowingly devise and intend to
21 devise and participate in a scheme and artifice to defraud beneficiaries, and to obtain money and
22 property from beneficiaries by means of materially false and fraudulent pretenses,
23 representations, and promises.

24 9. The objects of the conspiracy were to fraudulently acquire title to selected
25 properties sold at public auctions in Alameda County, to make and receive payoffs, and to divert
26 money to conspirators that would have gone to the beneficiaries.

27 10. Various entities and individuals, not made defendants in this Count, participated
28 as co-conspirators in the offense charged and performed acts and made statements in furtherance

INFORMATION – DANLI LIU – 3

1 thereof.

2 MEANS AND METHODS

3 11. For the purpose of forming and carrying out the charged conspiracy, the
4 defendant and her co-conspirators did those things that they conspired to do, including, among
5 other things:

- 6 a. purchasing selected properties at public auctions at suppressed prices;
- 7 b. in some instances, negotiating payoffs with one or more conspirators not
8 to compete;
- 9 c. in many other instances, holding second, private auctions at or near the
10 courthouse steps where the public auctions were held, frequently referred to as "rounds," open
11 only to members of the conspiracy, to bid for title to the selected properties;
- 12 d. awarding the selected properties to the conspirators who submitted the
13 highest bids at the second, private auctions;
- 14 e. transferring the right to title to the selected properties into the names of the
15 conspirators who submitted the highest bids at the second, private auctions;
- 16 f. paying conspirators monies that otherwise would have gone to
17 beneficiaries, using either a predetermined formula based on the bidding at the second, private
18 auction or through direct negotiations among the conspirators;
- 19 g. taking steps to conceal the fact that monies were diverted from the
20 beneficiaries to the conspirators;
- 21 h. making and causing to be made materially false and misleading statements
22 on records of public auctions that trustees relied upon to distribute proceeds from the public
23 auction to the beneficiaries and convey title to properties sold at the public auction; and
- 24 i. causing the suppressed purchase price to be reported and paid to the
25 beneficiaries.

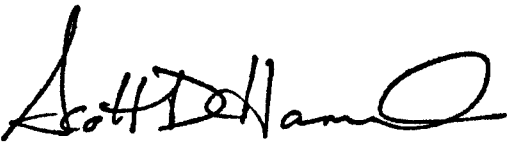
26 12. For the purpose of executing the scheme and artifice to defraud and attempting to
27 do so, the defendant and her co-conspirators knowingly used and caused to be used the United
28 States Postal Service and private or commercial interstate carriers. For example, trustees used

the United States mail and private or commercial interstate carriers to transmit the Trustee's Deeds Upon Sale and other title documents to participants in the conspiracy. These mailings were foreseeable to the defendant in the ordinary course of business.

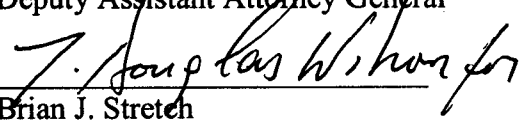
JURISDICTION AND VENUE

13. The combination, conspiracy, and agreement to violate Title 18, United States Code, Section 1341 charged in this Information was carried out, in part, in the Northern District of California, within the five years preceding the filing of this Information.

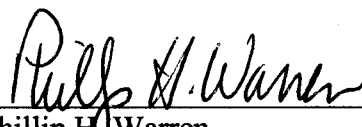
ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1349.



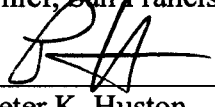
Scott D. Hammond
Deputy Assistant Attorney General



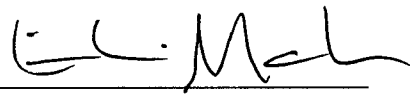
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